

Message Text

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16

ACTION IO-14

INFO OCT-01 EA-11 ISO-00 AID-20 XMB-07 CIAE-00 DODE-00

PM-07 H-03 INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 OMB-01 ABF-01 TRSE-00

AEC-11 DRC-01 ACDA-19 SCI-06 FEA-02 /169 W

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 4422

USUN 797

INFO USMISSION IAEA VIENNA

C O N F I D E N T I A L JAKARTA 11418

E.O. 11652: GDS

TAGS: PFOR,UN, IAEA

SUBJECT: KEY ISSUES AT UNGA; IAEA CONTRIBUTION

REF: A. STATE 184585; B. STATE 194561;; C. STATE 195981

1. AMBASSADOR CALLED ON BI. B.S. ARIFIN, DIRGEN FOR
FOREIGN ECONOMIC RELATIONS AT FONOFF

SEPTEMBER 13 TO A)

PRESENT U.S. POSITION ON CERTAIN MATTERS RAISED IN
REF A, B) REQUEST GOI SUPPORT ON IAEA ASSESSMENT QUESTION
AS INSTRUCTED REFS B AND C, AND C) REVIEW US-INDONESIAN
AID RELATIONSHIP AND RECENT VISIT OF EXIM CHAIRMAN CASEY.
ARIFIN WILL JOIN GOI DELEGATION TO UNGA AFTER MOSLEM
LEBARAN HOLIDAY OCTOBER 17, 18.

2. ON UN BUDGET, AMBASSADOR URGED THAT GOI SUPPORT ONLY
MINIMAL SUPPLEMENTAL APPROPRIATIONS THAT ARE ESSENTIAL,
NOTING LARGE UN DEFICIT AND STRONG US CONGRESSIONAL
PRESSURE FOR ECONOMIES. IN PARTICULAR, AMBASSADOR
STATED THAT 15 PERCENT ABOVE U.S. CIVIL SERVICE SALARY SCALE
IS MAXIMUM U.S. CAN SUPPORT. (PARAS 26 AND 28 REF A.)

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3. TURNING TO LDC INITIATIVES SUCH AS "PROGRAM OF ACTION FOR NEW ECONOMIC ORDER" AND OTHER LDC INITIATIVES THAT MAY ARISE AGAIN IN UNGA (REF A), AMBASSADOR MADE FOLLOWING POINTS: U.S.G. APPRECIATES FEELINGS OF LDC'S ON SUCH QUESTIONS AS IMPORT COSTS AND MULTINATIONAL CORPORATIONS, AND WE UNDERSTAND DESIRE FOR REVIEW OF WORLD ECONOMIC ORDER. HOWEVER, WE ARE CONCERNED THAT EMOTIONALISM SURROUNDING THESE ISSUES AND LDC "STEAMROLLER" TACTICS ARE HINDERING MEANINGFUL CONSULTATIONS ON SUBJECTS THAT ARE EXCEEDINGLY COMPLEX. U.S. HOPES THAT EXHORTATION ON THESE ISSUES CAN BE REPLACED BY SERIOUS CONSULTATIONS AND REALISTIC ASSESSMENT OF THEIR IMPLICATIONS.

4. ARIFIN REPLIED THAT INDONESIA SUPPORTS NEED FOR IMPROVED INTERNATIONAL ECONOMIC ORDER, AND PARTICIPATED IN DISCUSSION OF "PROGRAM OF ACTION" AT RECENT ECOSOC MEETING IN GENEVA. HOWEVER, HE SAID, "INDONESIA SEEKS TO ACCOMPLISH THIS BY COOPERATION AND CONSULTATION WITH DEVELOPED COUNTRIES, NOT BY CONFRONTATION, AND THIS WILL BE GOI POSITION AT UNGA."

5. WHEN AMBASSADOR RAISED NEED FOR REALISTIC APPROACH TO QUESTION OF NATURAL RESOURCES, NATIONALIZATION AND MULTINATIONAL CORPORATIONS (REF A), ARIFIN SAID GOI WOULD PARTICIPATE IN PRE-UNGA UNCTAD SESSION,

ECONOMIC RIGHTS AND DUTIES OF STATES AND WOULD SUPPORT RIGHT TO NATIONALIZE. HOWEVER, GOI WOULD PRESS, AS IT HAS IN PAST, FOR QUALIFICATION THAT NATIONALIZATION MUST BE CONSISTENT WITH INTERNATIONAL OBLIGATIONS, INCLUDING INVESTMENT GUARANTEES. ARIFIN EMPHASIZED THAT GOI HAD TAKEN SIMILAR STAND IN HEATED DEBATE OVER NATIONALIZATION AT NAC CONFERENCE IN ALGIERS OVER STRONG OBJECTION OF LDC'S THAT ADVOCATED MORE EXTREME STATEMENT ON NATIONALIZATION.

6. ON LDC PROPOSAL FOR SPECIAL FUND FOR MOST SERIOUSLY AFFECTED NATIONS (PARA 22 OF REF A), AMBASSADOR POINTED OUT THAT IS EXISTING MACHINERY FOR THIS PURPOSE, INCLUDING NEW ARAB NATION AID INSTITUTIONS, AND THAT UN SHOULD NOT BE INVOLVED IN NEW SPECIAL FUND. ARIFIN
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REPLIED THAT GOI HAS BEEN INVITED TO ATTEND SPECIAL MEETING TO DISCUSS MSA BUT HAS DECLINED SINCE GOI WOULD NOT BE WILLING TO CONTRIBUTE TO SUCH A FUND.

7. ARIFIN VOLUNTEERED THAT GOI DELEGATION AT RECENT GENEVA CONFERENCE CABLED FOR INSTRUCTIONS ON NON-ALIGNED PROPOSAL TO DEMAND RELEASE OF POLITICAL PRISONERS IN CHILE. HE LAUGHED AND SAID, "WE HAVE OUR

OWN POLITICAL PRISONER PROBLEM, SO I TOLD THEM TO
ABSTAIN."

8. ON MATTER OF GOI SUPPORT FOR PERCENTAGE REDUCTION
IN U.S. CONTRIBUTION TO IAEA AT 18TH GENERAL CONFERENCE
IN GENEVA SEPTEMBER 16 (REFS B AND C), AMBASSADOR
EXPRESSED THANKS FOR GOI SUPPORT ON THIS MATTER AT UNGA
PLENARY SESSION IN 1974 AND REVIEWED POINTS MADE IN

REF B PARA 4, TEXT OF WHICH WE HAD PREVIOUSLY FORWARDED
TO ARIFIN AS AIDE MEMOIRE.

9. MEMCON ON PORTIONS OF CONVERSATION ON AID RELATIONS
AND EXIM VISIT BEING POUCHED.
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